

Clean Air Act Task Force

February 17, 2000

Update on Lake Michigan Region Efforts

and

**Crafting Wisconsin's 1-Hour
Ozone Plan**

Clean Air Act Task Force

Meetings & Draft Agendas - Feb/Mar 2000

Feb 17

SIP Strategy Refinement Focus

- Dialogue on regional approach refinement
- Start on discrete NR rule element components
- VOC Control Options Discussion
- WI-specific modeling effort
- Dialogue on focusing WI's attainment strategy

March 9

Draft SIP Package Focus

- Draft SIP Strategy Summary
- Regional Agreements Status
- Overview of evolving SIP *draft* package
- SIP Development Milestones
- Comprehensive discussion on discrete program elements
- Rate-of-Progress & Conformity - Targets/Bounds

Key Regional Considerations

- NOx & VOC control targets appropriate to scale of contributing emissions & AQ impact
- Control effort focused on 1 Hr standard but sensitive to broader ozone health problem
- Sufficient flexibility early in SIP to incorporate current state control commitments
- Agreement now on mid-course review approach and potential implications
- Attempt to preclude need for 126 petitions
- Some consideration of cost efficiencies & regional investment/system impact equity

Scope of Approaches in Discussion

- Regional NOx control focus
- Additional local VOC controls as effective & feasible (*nonattainment & direct contributing areas*)
- Staged control effort starting 2003 with a solid first step - attainment by 2007
- Default actions until attainment reached
- Flexibility or “opener” at least once before 2007 to adjust default actions
- Objective => Approvable 12/2000 SIP

Initial Wisconsin Proposal - Jan 27

- Rough NOx Budgets on Statewide Basis
- 2003 NOx Budgets for WI/IL/IN @ 0.25 EGU avg. including “*Real*” Industrial Source NOx Reduction
 - similar target reduction level to SIP Call (~50% from 1995)
 - flexibility to address sectors with state-preferred approach
- Incremental NA & contributing area VOC controls
- 2004 AQ-based trigger for 2006 control level
 - **0.25 EGU** if Regional Design Value \leq **123 ppb**
 - **0.20 EGU** if Regional Design Value = **124-127 ppb**
 - **0.15 EGU** if Regional Design Value \Rightarrow **128 ppb**

Major Dialogue/Concern Elements

- remaining in late February 2000

- Clear Objective => Approvable 12/2000 SIP
- Final details on Attainment Test “Passage”
- Scope of “Reasonable”/“Feasible” VOC reductions in greater Metro areas & surroundings
- Definition of committed/default actions sufficient to ensure timely attainment
- Scope of pre-2007 “Opener” to adjust SIPs
 - How does this fit with 2003 Commitments
- Various Trading, Growth, New Source Issues

Early Responses to WI Proposal

EPA Posture:

- Clear Objective => Has to be an Approvable 12/2000 SIP w/ all Components Set
- Still willing to consider refined answer to “What is Attainment” (*only Strategy 12+ meets demo as yet*)
- Doesn’t seem to like “contingent” (AQ) trigger for Step 3

Other States (IL/IN):

- Have to be able to pursue rate-based approach (*IN*)
- Scope of 2003/4 “Opener” to adjust SIPs
- Let’s be sure to address Trading & New Source Issues
- What is a reasonable Scope for Industrial Control (*IL*)
- Can the VOC Controls be developed (*IL*)

What an Proposed Agreement between IL/IN/WI Would or Wouldn't Represent

- Achievable & Approvable glide-path to 1-hour attainment balancing NOx & VOC control and regional responsibilities
- Establishes certain “Budgets” for NOx reduction & clear targets for VOC control efforts
- States could optimize control approach to state-specific needs and issues
- “Conditional” *AND* “Certain” NOx control levels & deadlines for EGU planning
- Addresses NOx commitments by MI, MO, KY & TN
- Does **NOT** meet NOx SIP or NOx FIP Budgets
- Does **NOT** trigger NOx allocations in 1999 Budget Bill
- Does **NOT** address 8-hour, PM2.5 or Haze Plans

Major Sector NOx Comparison IL/IN/WI

- Industrial NOx Control critical to regional attainment with 1-Hour
- Getting upwind benefits strongly in WI's AQ favor on mass basis
- Strong regional targets (IL/IN) most critical to limiting scope of much deeper WI control

– *see separate slides comparing NOx emissions*

Backstop Strategies for Regional NOx Reduction

- **126 Petitions for any residual upwind control need**
 - **Broad Scope - Emission Unit Types, Sizes, States**
 - **Focused Scope - Subsectors & Source Categories, Levels, Geography**
 - **Requires commensurate WI showing- “we’ve done our part”**
 - **EPA defines resulting plan - potentially limited flexibility**
 - **Potential litigation makes implementation timeframe uncertain**
- **FIP on Failure to Submit or Disapproval (*“Rapid”*)**
 - **EPA defines Plan & States likely to Conflict in Perspective**
 - **Unlikely to include Flexibility & Litigation Likely**

1 Hour SIP Elements

- **2007 Attainment Plan - SIP Summary**
- **Technical Demonstration of Attainment**
- **Interstate Agreements - Regional & Local Controls**
- **2002-2007 Progress Plan(s)**
- **Point Source NOx Control Program**
- **VOC Control Program**
- **Petitions for any residual upwind control need**
- **Conformity Budgets**
- **Contingent Excess Emissions Fee - \$5000/ton 2008**

NOx Control Program

Crafting viable Options

- **Address Scope of Potential “Budgets”**
 - **Ensure appropriate AQ impact/benefit**
 - **Consider anomalous effects & mitigate problems**
 - **Focus program toward efficient and future-looking solutions**
 - **Maintain flexibility as needed**
 - **Incorporate NOx trading as appropriate**
- ***see separate NOx Point Source slides.....***

Summary 1-Hour SIP Schedule

- ✓ **Dec 99** -EPA Action - Phase 2 SIPs
- ✓ **Jan 2000** -Finish Round 2 regional strategy modeling
- ✓ **Feb** -Submit final Phase 2 elements (Feb 4 Hearing)
 - **Feb-Mar** - Finalize attainment modeling & “what is attainment” solutions (*consistent with downwind SIP needs*)
 - **Mar-Apr** - Pursuit of Regional Agreement (3 state)
 - **Mar** - Formalize a draft Plan based on presumptive agreement and set-up for public hearings w/rule(s) & budgets
 - **Apr** - NR Board Meeting - Draft 1 Hr SIP Action
 - **May** - Public Information Meeting(s) on 1 Hr SIP
 - **May** - Notify EPA & states of any anticipated 126 petition action
 - **June** - Public Hearings for NOx Rules, Emission Budget & related Attainment SIP elements
 - **Sept** - Target NR Board NOx RACT Rule Adoption
 - **Oct** - Final SIP Package Legislative Review
 - **Dec 00**- Submit Full Phase 3 Ozone Attainment SIP